

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

NOTICE AND APPLICATION FOR)
ADJUSTMENT OF RATES FOR) CASE NO. 8544
JACKSON PURCHASE ELECTRIC)
COOPERATIVE CORPORATION)

O R D E R

IT IS ORDERED that Jackson Purchase Electric Cooperative Corporation shall file an original and seven copies of the following information with this Commission, with a copy to the Attorney General's Division of Consumer Protection, by September 20, 1982. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a) page 2 of 5. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

Information Request No. 2

1. Provide a schedule of actual and projected draw down dates for loan funds since the end of the test year.
2. Explain how the pro-forma cost-of-living increases for union workers were determined for May, August and November, 1982. Provide any supporting calculations.

3. As there are differences between what is shown in the application and the response to the previous request, clarify the amount of the base pay increase scheduled for November 1, 1982. Provide any relevant amendments or extensions of the November 3, 1980, agreement between Jackson Purchase ECC and IBEW Local 816.

4. Test year FICA expense of \$112,330, as a percentage of test year payroll of \$1,745,166, is 6.44%. Explain why this percentage is less than the pertinent FICA rate. Also explain why the calculation of adjustment no. 3 shows no payroll above the FICA base.

5. Explain how Asplundh Tree Co. was selected to do all right-of-way maintenance. Indicate whether any firm other than Asplundh has performed such work since September of 1980.

6. Explain how Environmental International, Inc. was selected to dispose of the PCB capacitors. Provide copies of the quotes from all firms considered as well as itemized costs from the Environmental International quote.

7. Provide itemized components of the \$14,000 cost of the oil spill prevention control and countermeasure plans.

8. Provide explanations for the following increases in plant in service, as shown in Item 5 of the response to Information Request No. 1:

- (a) Account 350 - Land and Land Rights - \$28,000 to \$118,000.
- (b) Account 356 - Overhead Conductors and Devices - \$86,000 to \$309,000.

- (c) Account 366 - Underground conduit -
\$62,000 to \$207,000.
- (d) Account 391.100 - IBM Display Stations -
0 to \$20,000.
- (e) Account 397 - Communications Equipment -
\$135,000 to \$503,000.

9. Describe the utility's current policies regarding compensation of directors - i.e. meeting fees, expense reimbursement, per diem allowance, insurance, etc.

10. Provide explanations for the increases in the following expense accounts, as shown in Item 6 of the response to Information Request No. 1:

- (a) Account 581 - Load Dispatching Expense
0 to \$15,000.
- (b) Account 583.100 - PCB Test and
Inspection - 0 to \$14,000.
- (c) Account 586 - Meter Expenses -
\$59,000 to \$85,000.
- (d) Account 592 - Maintenance of Station
Equipment - \$6,000 to \$36,000.
- (e) Account 902 - Meter Reading
Expenses - \$56,000 to \$75,000.
- (f) Account 921 - Office Supplies and
Expenses - \$30,000 to \$40,000.

11. Describe the direct mail advertising of \$2,523 paid to Big Rivers during the test year as shown in Item 8 of the response to Information Request No. 1.

12. Explain in detail the selection process and methodology used in choosing the 11 percent growth rate, the 40 percent equity ratio, and the 5 year planning horizon shown on Exhibit 8.

13. Referring to Exhibit 9, page 3, of the application:

Reconcile the difference between the per books KWH sales on line 4 of 75,285,598 and the sales on line 10 of 74,285,598.

14. Provide a detailed explanation of how the proposed increase in revenue has been allocated to the various rate classes and also explain how the increase has been distributed within each rate class.

15. From Exhibit 2, page 1 of the application, rate schedule R - explain the method used to determine the required transformer capacity for residential consumers.

16. From Exhibit 2, rate schedules D and I - explain the reason for use of an 80 percent power factor for demand charge adjustments on schedule D and the reason for use of a 85 percent power factor for demand charge adjustments on schedule I.

Done at Frankfort, Kentucky, this 8th day of September, 1982.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary